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was able to observe firsthand what that nation has done to relieve itself from dependence on oil and gas.

On May 15, the Committee on Science and Technology reported out the loan guarantee bill for synthetic fuels, H.R. 12112, which will enable our Nation to demonstrate the coal technology already available at a scale much larger than has been built anywhere in the world. The progress that we make in this country demonstrating these technologies is closely linked to the incentive program that we have developed.

Mr. Speaker, I urge all Members to review this important and timely article:

GETTING DOWN TO DOING IT!

(By Carl Bagge)

Once after witnessing a unique social experiment, Chicago journalist Lincoln Stefens delivered what was perhaps his most memorable line: "I have been over into the future, and it works."

Recently, together with 11 American coal executives attending a meeting of the International Committee for Coal Research in South Africa, I witnessed the kind of reality-as-a-vision that must have prompted Stefens to make that remark. For as we walked past the coal hoppers and reactors at the South African Coal, Oil and Gas Corporation's coal conversion complex in Sasolburg, we realized—some way, some-how, this is the way things are going to have to be in the U.S. And we in the U.S. coal industry are going to have to play a most critical role in making it work.

The Sasol plant we toured represents a most remarkable example of what can be done, given incentive, technical virtuosity and most importantly, the national determination to attain a difficult goal.

Without getting into the ins and outs of the complex situation in South Africa today, I would like to point out that the people of South Africa decided more than 25 years ago that they must develop a capacity for energy self-sufficiency. They then proceeded to develop a strategy in a step-by-step fashion to attain that goal.

Because coal is their chief energy resource, they decided that coal was the most reasonable material basis for their energy self-sufficiency. And since the Fischer Tropsch process developed in Germany was perhaps the most proven technology for producing liquids from coal, it is the technology they are using today to produce 25 percent of the gasoline consumed in their nation.

There are, of course, those in the United States who point out the primitive nature of the Fischer Tropsch process and claim it is highly uneconomic.

The South Africans know all of this, but they also know that energy independence is more important than quibbling over dollars or the level of technological accomplishment. That's why they went ahead and did what they had to do, which is far more than we can say about our national effort in this direction.

Let's face facts. The U.S. economy is dependent on oil and gas and we're running out of them. Coal, on the other hand, is our most plentiful fuel, and few would disagree that ultimately we must gasify it, liquefy it, and use it as material basis for our economy. This is precisely why we must begin today to build full-scale demonstration plants to show once and for all what can and cannot be done and how much it will cost to do it. And if this means building several plants that are uneconomic or difficult to operate, so be it. You can't have meaningful progress without taking some chances.

The task is so large, and the risks are so great, however, that industry cannot be expected to do it alone. And this is why the

House of Representatives' failure to pass the \$6 billion synthetic fuels loan guarantee program last year was particularly tragic.

Clearly, some federally supported synthetic fuels incentive program is necessary if we are to accelerate the schedule for synthetic fuels development. It is equally clear that federal loan guarantees will not be enough to commercialize the many coal conversion technologies that are needed. If the nation is serious about accelerating synthetic fuels production, it must establish a broad-gauged incentives program. Of course, loan guarantees will be needed, particularly if we are to have enough gas to go around 5 or 10 years hence, but so will price supports, market guarantees, and whatever incentives creative minds can devise to contribute to the outstanding task at hand.

What we need is energy independence. And as the South Africans have capably shown, the answer is to be found in doing, not talking about it.

GEORGE BUSH

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1976

Mr. BOB WILSON. Mr. Speaker, having recently returned from a visit to the People's Republic of China, I am aware of the great pioneering job that our former colleague, George Bush, performed until recently as head of the U.S. Liaison Office in Peking. Both George and his wife, Barbara, have warm and friendly personalities which is important in a job that requires much tact and understanding. This was important in his job of representing the United States in a country where we have not been welcome for decades.

Mr. Speaker, I insert a recent item which appeared in the Alumni Bulletin of the Phillips Academy of Andover, Mass., a school which George Bush attended. The article appeared in the form of a letter from Ernest Obermeyer, one of his former classmates at Phillips, who recently visited George and Barbara and saw them in action:

News has been scarce, but for once I'm not complaining because I'd like to take a few paragraphs to write about our most newsworthy class member. At this writing George and Barbara Bush are on their way home to Washington. By the time you read these notes, he will, no doubt, have been confirmed as the Director of the CIA.

Thanks to his efforts and their unbounded hospitality and aided by Bunny's TWA passes and air fare privileges, we were able to spend 18 days in the People's Republic of China. Our trip took us from New York via Athens to Peking. There we were met on the runway on a chilly November evening by the Bushes. (Just getting from the runway thru the airport and out calls for the sort of expertise that George has. It is an indistinguishably different world.)

The United States Liaison Office is a large, comfortable stone compound in one of the two embassy areas in Peking. George and Barbara are the greatest hosts either of us have met. They made sure that we saw and did everything there was to do in this both exciting and historic city. Later we encountered official China Tour Guides in each of the cities we visited and looking back, Barbara Bush was far superior to any of them. She has studied the territory from the For-

bidden City to the Ming Tombs to the Great Wall and she has done her homework extremely well. George has a sound working knowledge of the language, the result of a daily lesson, and communicated well enough to get us through restaurants, check points, railroad stations and the country side. What he cannot say with words he does with a smile, a wave and great enthusiasm. It is exciting to see him in action.

Both George and Barbara liked China, the challenge, the chance to improve our relations with this vast country that holds one fifth of the world's people, and the opportunity for personal and friendly diplomacy. Eighteen days does not make one a "new China hand" let alone an old one, and I do not know what the official opinions are about the United States, but on first hand observation, they do like George Bush. In fact, after leaving Peking all of the tour guides we spoke with had the highest regard for him. One can't help but feel that in George and Barbara the United States has put its best diplomatic foot forward.

Wherever we went in our big black Chevrolet with the U.S. flag flying from the right front fender, people smiled and when we got out at a restaurant or a store or Chinese landmark, the people crowded around and George or Barbara were the first to break the ice with a smile, a wave, a handshake or a friendly Ni Hao. There are nineteen Americans in the U.S. Liaison Office and all that we met—and we met most of them—expressed great sorrow at his leaving.

Both George and Barbara have that unique ability whether they are talking to the office guard, the Australian Ambassador or the Chinese who take care of the tennis courts at the International Club to make each feel welcome and important. They truly appreciate the kindnesses and courtesies that are shown them, and they communicate that feeling effectively. Incidentally, while on his assignment George established himself as the best doubles player (tennis) in the country. We saw him, teamed with the Ghana Ambassador, win easily against two younger Australians in the international semi-finals. Socially there is little contact with the Chinese officials. During our stay we had the opportunity to spend some time with Ambassadors from New Zealand, Australia and enjoyed a family dinner at the Sri Lanka Embassy. I suspect that George has done an equally fine job in representing us and giving these other ambassadors a better understanding of our country.

Both George and Barbara were looking forward to spending two years in Peking before that fateful Sunday call summoning him back to Washington. In fact, he confided that he had requested the assignment in preference to some other more prestigious posts that were offered to him. He has a sincere belief that China is where the future is and that he could use his personal and personable efforts to the greater benefit of the country in China than elsewhere. The C.I.A. summons was a disappointment to him if for no other reason than he did not feel he had the opportunity to finish his work in Peking. But in his own words this too was "a challenge he felt it was his duty to accept." In this cynical world in which we live I'm sure it is difficult for some people to understand George. Unfortunately, some of our newspapers keep referring to him as a "Texas oil millionaire." Literally this may be true but the connotation couldn't be more erroneous. He was in the oil business. He worked hard. He was successful. He is comfortable. He won't go hungry but John Paul Getty he is not, nor does merely making money excite him. His life style is simple. His interests are multi-dimensional. He possesses those character traits that many have forgotten still exists—true patriotism, a sense of duty to people and country, a desire to serve and all coupled with a boundless

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enthusiasm and a studied optimism. He has a controlled ambition that sublimates personal advancement to character, honesty and a knowledge of what's right. George is an endangered species of political animal and that's unfortunate for us all. Thanks to his efforts Bunny and I were able to travel in China by train to Nanking to Wush to Soochow to Shanghai and then by plane to Canton and on to the border by train and finally the walk out of China and on to Hong Kong. It was an unforgettable odyssey but that's another story.

THE FEA: DIRECTING AND ADMINISTERING WHAT?

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 25, 1976

Mrs. SCHROEDER. Mr. Speaker, H.R. 12169, the House Interstate and Foreign Commerce Committee's bill to give the Federal Energy Administration 39 more months of life also authorizes \$39 million for the continuation of the FEA's Office of Executive Direction and Administration. On the other hand, the Schroeder-Fithian substitute to H.R. 12169, which was printed in the May 18, Record at page H4545, proposes to abolish all of this Office—except for its office dealing with private grievances and redress. There are sound reasons for eliminating this office, its \$39 million budget, and its 1,000 employees.

The Office of Executive Direction and Administration is the head of the body we know as the FEA. It consists of an Office of Administrator, Office of Management and Administration, Office of General Counsel, Office of Communications and Public Affairs, Office of Congressional Affairs, Office of Intergovernmental, Regional, and Special Programs, and the Office of Private Grievances and Redress. The problems with these offices are noted below:

OFFICE OF ADMINISTRATOR

The Office of Administrator contains the job which Mr. Zarb presently occupies. H.R. 12169 proposes to give this appendage \$2.1 million over the next 15 months. The prime function of the Office appears to be keeping the FEA's other functions in line while Mr. Zarb is off making speeches, many times traveling by charter aircraft. If I may quote from the FEA budget submission for this year, the main occupation of this office for last year was:

The "energy-wise" education of the American people concerning energy problems through an increased volume of speeches by the Administrator, two Deputy Administrators, and Assistant Administrators, who transmitted the Presidential direction for increased efforts in reaching consumer groups on conservation.

OFFICE OF MANAGEMENT AND ADMINISTRATION

The Office of Management and Administration supposedly oversees the organizational matters of the Federal Energy Administration. Unfortunately, it never seems to have gotten this act together, other than for promoting the mean salaries of FEA employees to the

highest in the Federal bureaucracy. In fact, in its unfounded zeal to manage and administer the FEA bureaucracy, it has had to contract out—at \$92 per hour, slightly more than the President makes—for services on how to set up its bureaucracy. The following correspondence I have had with the Civil Service Commission does, I believe, lay out the essence of this Office's bungling:

HOUSE OF REPRESENTATIVES,
Washington, D.C., April 21, 1976.

JOSEPH DAMICO,
Director, Bureau of Executive Manpower,
U.S. Civil Service Commission, Washington, D.C.

DEAR MR. DAMICO: In 1974 the Federal Energy Office/Federal Energy Administration, at the direction of then FEO Administrator and Deputy Secretary of the Treasury William Simon let a \$215,725 contract to Korn/Ferry International entitled "Design Within FEO an Executive Development Program."

According to FEA documents reviewed by my staff, the purpose of the contract was to define FEO positions, write job sheets, identify qualified candidates, and set up a Human Resources Department at FEO for organizational development, manpower planning, and recruiting.

Fees under this contract ranged from \$14 an hour for secretarial staff up to \$92 an hour for Korn/Ferry executive staff.

I would appreciate it if your Bureau would review this contract to ascertain if the services purchased were duplicative of services already available from the Civil Service Commission (or the White House Personnel Office) or whether the contract or any activities carried out under the contract were in violation of applicable federal law.

Second, it is my understanding that last year the Civil Service Commission inspected the FEA and found that they had no executive development program at all.

I would appreciate being provided with a copy of your inspection report.

With kind regards.

Sincerely,

PATRICIA SCHROEDER,
Congresswoman.

U.S. CIVIL SERVICE COMMISSION,
BUREAU OF EXECUTIVE MANPOWER,
Washington, D.C., May 6, 1976.

HON. PATRICIA SCHROEDER,
House of Representatives,
Washington, D.C.

DEAR MS. SCHROEDER: This is in reply to your letter of April 21, 1976, concerning a 1974 contract let by the Federal Energy Office (now, Federal Energy Administration) and captioned "Design Within FEO an Executive Development Program." In connection with this matter, you ask whether "the services purchased were duplicative of services already available from the Civil Service Commission (or the White House Personnel Office) or whether the contract or any activities carried out under the contract were in violation of applicable law."

As an initial matter, it should be stressed that under policies laid down by the Office of Management and Budget in the Executive Office of the President, each Executive agency is responsible for determining whether a particular mission or function required of it shall be performed in-house by Federal employees or by a private contractor. These policies, which are set out in Circular No. A-76 of the Office of Management and Budget, require that an agency take into consideration a number of factors before deciding to perform a function by in-house services or by contracting out. Some of these factors are the costs involved (i.e., is it less expensive to contract out or to do the job in-house), the degree of disruption or delay involved by contracting out, and the avail-

ability of a readily usable private contractor. In every instance the ultimate determination is required to be based on a finding as to which method will be most beneficial to the national interest.

The Civil Service Commission is authorized to review an Executive agency's determination to perform a particular mission or function by contracting out rather than in-house hire. Our interest in this area is limited to determining whether agency contracting practices are consistent with Federal personnel policy required by pertinent laws, rules, and regulations. More specifically, it is our obligation to protect the integrity of the appointive process contemplated by chapters 31 and 33 of title 5, United States Code. The Commission sees to it that the term "employee," as defined in 5 U.S.C. section 2105 and used elsewhere in that title, is properly applied in the manner intended by Congress since so many important employee benefits depend on whether an individual is or is not an employee as so defined.

The Commission's critical concern is, thus, whether by contract an Executive agency has made an arrangement between Government personnel and contractor personnel which is tantamount to an employer-employee relationship. If such a relationship is found, e.g., contractor employees are supervised directly by Government employees, we require appropriate corrective action. Of course, since the contract here apparently deals with a personnel management subject, we would also have an interest in making certain that the substantive results of the contract comport fully with applicable personnel practices and policies. At all events, typically, in order to determine whether a contract arrangement is proper, we must go beyond its stated terms and evaluate the manner in which it was actually administered. Thus, while we shall thoroughly review the terms of the contract here and any related documents, the Commission's Bureau of Personnel Management Evaluation (with the assistance of the Bureau of Executive Manpower) will, if necessary, also jointly go on-site at the Federal Energy Administration in order to make such inquiries as are necessary fully to understand the way in which the contract was administered. Of course, in view of our general personnel management oversight responsibility, we shall also carefully evaluate whatever "product" may have resulted from the contract.

As you can see, the question from our standpoint is not one of duplicative services. Nonetheless, the Civil Service Commission does have a keen interest in assuring that executive branch agencies manage their total personnel resources in a prudent and cost-effective manner. And, in this connection, you may be assured that we shall make the necessary review and promptly report our findings to you when our consideration of the matter is completed. If we find that the administration of the contract by FEA violated any provisions of Federal personnel statutes, we shall direct appropriate action.

You have also asked for a copy of a recent Civil Service Commission evaluation report on the Federal Energy Administration which, among other things, dealt with the question of executive development. We have enclosed a copy of the pertinent report. With reference to it, however, we wish to point out that the Court of Appeals has affirmed in *Vaughn v. Rosen*, a Freedom of Information Act case which dealt with the release of Commission evaluation reports, that those portions of our reports which contain reference to individual employees or particular agency officials are exempt from disclosure to the public under 5 U.S.C. 552(b)(6). We feel strongly that the personal privacy considerations which underlay the Court's decision are especially important. Therefore, the pages which contain references to individual employees or particular agency officials have been stamped accordingly. We trust that you